

THE OVERSEAS PRIVATE INVESTMENT CORPORATION REAUTHORIZATION ACT OF 2007

MARKUP

BEFORE THE

SUBCOMMITTEE ON TERRORISM,
NONPROLIFERATION, AND TRADE

OF THE

COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

ON

H.R. 2798

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THE OVERSEAS PRIVATE INVESTMENT CORPORATION REAUTHORIZATION ACT OF 2007

THURSDAY, JUNE 21, 2007

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON TERRORISM, NONPROLIFERATION,
AND TRADE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 1:05 p.m., in room 2255, Rayburn House Office Building, Hon. Brad Sherman (chairman of the subcommittee) presiding.

Mr. SHERMAN. Welcome. I want to thank everyone for being here for the first markup of this subcommittee in the 110th Congress. Pursuant to notice, I call up Bill H.R. 2798, the Overseas Private Investment Corporation Reauthorization Act of 2007, and, without objection, the bill can be considered as read.

[H.R. 2798 follows:]

(Original Signature of Member)

110TH CONGRESS
1ST SESSION

H. R. 2798

To reauthorize the programs of the Overseas Private Investment Corporation,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. SHERMAN introduced the following bill; which was referred to the
Committee on **Foreign Affairs**

A BILL

To reauthorize the programs of the Overseas Private
Investment Corporation, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Overseas Private In-
5 vestment Corporation Reauthorization Act of 2007”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) Since its founding in 1971, the Overseas
9 Private Investment Corporation (in this section re-

1 ferred to as “OPIC”) has helped to mobilize and fa-
2 cilitate private capital investment by United States
3 investors in developing and emerging market coun-
4 tries in support of United States foreign policy and
5 development goals.

6 (2) OPIC assistance should not, in any way,
7 support projects in countries that reject their obliga-
8 tions to support international peace, security, and
9 basic human rights.

10 (3) OPIC assistance should not be provided to
11 those who support enemies of the United States.

12 (4) OPIC assistance is a privilege and should be
13 granted to persons that, along with their affiliated
14 companies, demonstrate responsible and sustainable
15 business practices, particularly with regard to the
16 environment, international worker rights, and efforts
17 against genocide and nuclear proliferation.

18 (5) Over OPIC’s 35-year history, OPIC has
19 supported \$177,000,000,000 in operating invest-
20 ments in more than 150 developing counties, helping
21 to create more than 800,000 jobs and some
22 \$13,000,000,000 in host-government revenues.

23 (6) OPIC projects have generated
24 \$71,000,000,000 in United States exports and sup-
25 ported more than 271,000 United States jobs.

1 (7) In fiscal year 2006, OPIC-assisted projects
2 generated \$1,000,000,000 in United States exports,
3 supported more than 2,700 United States jobs, and
4 had a positive impact on the United States balance
5 of payments.

6 (8) OPIC has increasingly benefitted small- and
7 medium-sized businesses in the United States, with
8 87 percent of all OPIC-supported projects involving
9 such businesses in fiscal year 2006.

10 (9) In an era of limited Federal budgetary re-
11 sources, OPIC has consistently demonstrated an
12 ability to operate on a self-sustaining basis to sup-
13 port United States companies, all at a net cost of
14 zero to the United States taxpayer.

15 (10) OPIC has reserves totaling approximately
16 \$5,300,000,000 and will make an estimated net
17 budget contribution to the international affairs ac-
18 count of some \$159,000,000 in fiscal year 2008.

19 **SEC. 3. REAUTHORIZATION OF OPIC PROGRAMS.**

20 Section 235(a)(2) of the Foreign Assistance Act of
21 1961 (22 U.S.C. 2195(a)(2)) is amended by striking
22 “2007” and inserting “ September 30, 2011” .

1 **SEC. 4. REQUIREMENTS REGARDING INTERNATIONAL**
2 **WORKER RIGHTS.**

3 (a) COUNTRY REQUIREMENTS.—Subsection (a) of
4 section 231A of the Foreign Assistance Act of 1961 (22
5 U.S.C. 2191a(a)) is amended—

6 (1) by amending the subsection heading to read
7 as follows: “INTERNATIONAL WORKER RIGHTS”;

8 (2) in paragraph (4), by striking “(4) In” and
9 inserting “(5) ADDITIONAL DETERMINATION.—In” ;
10 and

11 (3) by striking paragraphs (1) through (3) and
12 inserting the following:

13 “(1) LIMITATION ON OPIC ACTIVITIES.—(A)
14 The Corporation may insure, reinsure, guarantee, or
15 finance a project only if the country in which the
16 project is to be undertaken has made or is making
17 significant progress towards the recognition, adop-
18 tion, and implementation of laws that substantially
19 provide international worker rights, including in any
20 designated zone, or special administrative region or
21 area, in that country.

22 “(B) The Corporation shall also include the fol-
23 lowing language, in substantially the following form,
24 in all contracts which the Corporation enters into
25 with eligible investors to provide financial support
26 under this title:

1 “‘The investor agrees not to take any actions
2 to obstruct or prevent employees of the foreign en-
3 terprise from exercising their international worker
4 rights (as defined in section 238(h) of the Foreign
5 Assistance Act of 1961), and agrees to adhere to the
6 obligations regarding those international worker
7 rights.’

8 “(2) PREFERENCE TO CERTAIN COUNTRIES.—
9 To the degree possible and consistent with its devel-
10 opment objectives, the Corporation shall give pref-
11 erential consideration to projects in countries that
12 have adopted, maintain, and enforce laws that sub-
13 stantially provide international worker rights.

14 “(3) USE OF ANNUAL REPORTS ON INTER-
15 NATIONAL WORKER RIGHTS.—The Corporation shall,
16 in carrying out paragraph (1)(A), use, among other
17 sources, the reports submitted to the Congress pur-
18 suant to section 504 of the Trade Act of 1974. Such
19 other sources include the observations, reports, and
20 recommendations of the International Labor Organi-
21 zation, and other relevant organizations.

22 “(4) INAPPLICABILITY TO HUMANITARIAN AC-
23 TIVITIES.—Paragraph (1) shall not prohibit the Cor-
24 poration from providing any insurance, reinsurance,

1 guaranty, financing, or other assistance for the pro-
2 vision of humanitarian assistance in a country.”.

3 (b) BOARD OF DIRECTORS.—Section 233(b) of the
4 Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is
5 amended by adding at the end the following: “The selec-
6 tion of the small business, organized labor, and coopera-
7 tive directors should be made, respectively, in consultation
8 with relevant representative organizations.”.

9 (c) DEFINITIONS.—Section 238 of the Foreign As-
10 sistance Act of 1961 (22 U.S.C. 2198) is amended—

11 (1) in subsection (f), by striking “and” after
12 the semicolon;

13 (2) in subsection (g), by striking the period at
14 the end and inserting “; and”; and

15 (3) by adding at the end the following:

16 “(h) the term ‘international worker rights’
17 means—

18 “(1) internationally recognized worker
19 rights, as defined in section 507(4) of the
20 Trade Act of 1974 (19 U.S.C. 2467(4); and

21 “(2) the elimination of discrimination with
22 respect to employment and occupation.”.

23 (d) GENERAL PROVISIONS AND POWERS.—Section
24 239 of the Foreign Assistance Act of 1961 (22 U.S.C.
25 2199) is amended—

1 (1) in subsection (h), by adding at the end the
2 following: “In addition, the Corporation should con-
3 sult with relevant stakeholders in developing such
4 criteria.”; and

5 (2) in subsection (i), in the first sentence, by
6 inserting “, including international worker rights,”
7 after “fundamental freedoms”.

8 **SEC. 5. COMMUNITY SUPPORT.**

9 Section 237 of the Foreign Assistance Act of 1961
10 (22 U.S.C. 2191(n)) is amended by adding at the end the
11 following:

12 “(p) COMMUNITY SUPPORT.—To the maximum ex-
13 tent practicable, the Corporation shall require the appli-
14 cant for a project that is subject to the requirements in
15 section 231A(b) to obtain broad community support for
16 the project.”.

17 **SEC. 6. CLIMATE CHANGE MITIGATION ACTION PLAN.**

18 Title IV of chapter 2 of part I of the Foreign Assist-
19 ance Act of 1961 (22 U.S.C. 2291 et seq.) is amended
20 by inserting after section 234A the following new section:

21 **“SEC. 234B. CLIMATE CHANGE MITIGATION.**

22 “(a) MITIGATION ACTION PLAN.—The Corporation
23 shall, not later than 180 days after the date of the enact-
24 ment of the Overseas Private Investment Corporation Re-

1 authorization Act of 2007, institute a climate change miti-
2 gation action plan that includes the following:

3 “(1) CLEAN AND EFFICIENT ENERGY TECH-
4 NOLOGY.—

5 “(A) INCREASING ASSISTANCE.—The Cor-
6 poration shall establish a goal of substantially
7 increasing its support of projects that use, de-
8 velop, or otherwise promote the use of clean en-
9 ergy technologies over the 4-year period begin-
10 ning on the date of the enactment of the Over-
11 seas Private Investment Corporation Reauthor-
12 ization Act of 2007.

13 “(B) PREFERENTIAL TREATMENT TO
14 PROJECTS.—The Corporation shall give pref-
15 erential treatment to the evaluation and award-
16 ing of assistance for and provide greater flexi-
17 bility in supporting projects that involve the in-
18 vestment or use of clean and efficient energy
19 technologies.

20 “(2) ENVIRONMENTAL IMPACT ASSESS-
21 MENTS.—

22 “(A) GREENHOUSE GAS EMISSIONS.—The
23 Corporation shall, in making an environmental
24 impact assessment for a project under section
25 231A(b) in which assistance by the Corporation

1 would be valued at \$10,000,000 or more (in-
2 cluding contingent liability), take into account
3 the degree to which the project contributes to
4 the emission of greenhouse gases.

5 “(B) OTHER DUTIES NOT AFFECTED.—
6 The requirement under subparagraph (A) is in
7 addition to the any other requirement, obliga-
8 tion, or duty that Corporation has.

9 “(3) REPORT TO CONGRESSIONAL COMMIT-
10 TEES.—The Corporation shall, within 180 days after
11 the date of the enactment of the Overseas Private
12 Investment Corporation Reauthorization Act of
13 2007, submit to the Committee on Foreign Affairs
14 of the House of Representatives and the Committee
15 on Foreign Relations of the Senate a report on the
16 strategy developed to carry out paragraph (1)(A).
17 Thereafter, the Corporation shall include in its an-
18 nual report under section 240A a discussion of the
19 strategy and its implementation.

20 “(b) EXTRACTION INVESTMENTS.—

21 “(1) PRIOR NOTIFICATION TO CONGRESSIONAL
22 COMMITTEES.—The Corporation may not approve
23 any contract of insurance or reinsurance, or any
24 guaranty, or enter into any agreement to provide fi-
25 nancing for any project which significantly involves

1 an extractive industry and in which assistance by the
2 Corporation would be valued at \$10,000,000 or
3 more (including contingent liability), until at least
4 30 days after the Corporation notifies the Com-
5 mittee on Foreign Affairs of the House of Rep-
6 resentatives and the Committee on Foreign Rela-
7 tions of the Senate of such contract or agreement.

8 “(2) COMMITMENT TO EITI PRINCIPLES.—The
9 Corporation may approve a contract of insurance or
10 reinsurance, or any guaranty, or enter into an agree-
11 ment to provide financing to an eligible investor for
12 a project that significantly involves an extractive in-
13 dustry only if—

14 “(A) the eligible investor has agreed to im-
15 plement the Extractive Industries Transparency
16 Initiative principles and criteria; or

17 “(B) the host country where the project is
18 to be carried out has committed to the Extrac-
19 tive Industries Transparency Initiative prin-
20 ciples and criteria.

21 “(3) DEFINITIONS.—In this subsection:

22 “(A) EXTRACTIVE INDUSTRY.—The term
23 ‘extractive industry’ refers to an enterprise en-
24 gaged in the exploration, development, or ex-

1 traction of oil and gas reserves, metal ores,
2 gemstones, industrial minerals, or coal.

3 “(B) EXTRACTIVE INDUSTRIES TRANS-
4 PARENCY INITIATIVE PRINCIPLES AND CRI-
5 TERIA.—The term ‘Extractive Industries Trans-
6 parency Initiative principles and criteria’ means
7 the principles and criteria of the Extractive In-
8 dustries Transparency Initiative, as set forth in
9 Annex A to the Anti-Corruption Policies and
10 Strategies Handbook of the Corporation, as
11 published in September 2006.

12 “(c) DEFINITIONS.—In this section:

13 “(1) CLEAN AND EFFICIENT ENERGY TECH-
14 NOLOGY.—The term ‘clean and efficient energy tech-
15 nology’ means an energy supply or end-use
16 technology—

17 “(A) such as—

18 “(i) solar technology;

19 “(ii) wind technology;

20 “(iii) geothermal technology;

21 “(iv) hydroelectric technology; and

22 “(v) carbon capture technology; and

23 “(B) that, over its life cycle and compared
24 to a similar technology already in commercial
25 use—

1 “(i) is reliable, affordable, economi-
2 cally viable, socially acceptable, and com-
3 patible with the needs and norms of the
4 country involved;

5 “(ii) results in—

6 “(I) reduced emissions of green-
7 house gases; or

8 “(II) increased geological seques-
9 tration; and

10 “(iii) may—

11 “(I) substantially lower emissions
12 of air pollutants; or

13 “(II) generate substantially
14 smaller or less hazardous quantities of
15 solid or liquid waste.

16 “(2) GREENHOUSE GAS.—The term ‘greenhouse
17 gas’ means—

18 “(A) carbon dioxide;

19 “(B) methane;

20 “(C) nitrous oxide;

21 “(D) hydrofluorocarbons;

22 “(E) perfluorocarbons; or

23 “(F) sulfur hexafluoride.

24 “(d) REPORTING REQUIREMENT.—The Corporation
25 shall include in its annual report required under section

1 240A a description of its activities to carry out this sec-
2 tion.”.

3 **SEC. 7. PROHIBITION ON ASSISTANCE TO DEVELOP OR**
4 **PROMOTE CERTAIN RAILWAY CONNECTIONS**
5 **AND RAILWAY-RELATED CONNECTIONS.**

6 Section 237 of the of the Foreign Assistance Act of
7 1961 (22 U.S.C. 2197) is further amended by adding at
8 the end the following:

9 “(q) PROHIBITION ON ASSISTANCE FOR CERTAIN
10 RAILWAY PROJECTS.—The Corporation may not provide
11 insurance, reinsurance, a guaranty, financing, or other as-
12 sistance to support the development or promotion of any
13 railway connection or railway-related connection that does
14 not traverse or connect with Armenia and does connect
15 Azerbaijan and Turkey.”.

16 **SEC. 8. INELIGIBILITY OF PERSONS DOING CERTAIN BUSI-**
17 **NESS WITH IRAN, SUDAN, OR NORTH KOREA.**

18 (a) IN GENERAL.—Section 237 of the of the Foreign
19 Assistance Act of 1961 (22 U.S.C. 2197) is further
20 amended by adding at the end the following:

21 “(r) INELIGIBLE PROJECTS.—

22 “(1) IN GENERAL.—A project will not be eligi-
23 ble to receive support provided by the Corporation
24 under this title if either of the following applies:

1 “(A)(i) An applicant for insurance, rein-
2 surance, financing, or other support for a
3 project provided to the Government of North
4 Korea, Sudan, or Iran a loan, or an extension
5 of credit, that remains outstanding.

6 “(ii) For purposes of this subparagraph,
7 the sale of goods, other than food or medicine,
8 on any terms other than a cash basis shall be
9 considered to be an extension of credit.

10 “(B) An applicant for insurance, reinsur-
11 ance, financing, or other support for a project
12 has an investment commitment valued at
13 \$20,000,000 or more for the energy sector.

14 “(2) DEFINITIONS.—In this subsection:

15 “(A) ENERGY SECTOR.—The term ‘energy
16 sector’ refers to activities to develop petroleum
17 or natural gas resources.

18 “(B) INVESTMENT COMMITMENT.—The
19 term ‘investment means’ means any of the fol-
20 lowing activities if such activity is undertaken
21 pursuant to a commitment, or pursuant to the
22 exercise of rights under a commitment, that
23 was entered into with the Government of North
24 Korea, Sudan, or Iran or a nongovernmental
25 entity in North Korea, Sudan, or Iran:

1 “(i) The entry into a contract that in-
2 cludes responsibility for the development of
3 petroleum resources located in North
4 Korea, Sudan, or Iran, or the entry into a
5 contract providing for the general super-
6 vision and guarantee of another person’s
7 performance of such a contract.

8 “(ii) The purchase of a share of own-
9 ership, including an equity interest, in that
10 development.

11 “(iii) The entry into a contract pro-
12 viding for the participation in royalties,
13 earnings, or profits in that development,
14 without regard to the form of the partici-
15 pation.

16 The term ‘investment commitment’ does not in-
17 clude the entry into, performance, or financing
18 of a contract solely to sell or purchase goods,
19 services, or technology.

20 “(3) CERTIFICATION.—

21 “(A) BY APPLICANTS.—A person or entity
22 applying for insurance, reinsurance, a guaranty,
23 financing, or other assistance under this title
24 may not receive such support unless its chief
25 executive officer certifies to the Corporation,

1 under penalty of perjury, that the person or en-
2 tity and its majority-owned subsidiaries have
3 not engaged in any activity described in sub-
4 paragraph (A) or (B) of paragraph (1) and will
5 not do so for the duration of the project.

6 “(B) BY ULTIMATE PARENT ENTITIES.—
7 In the case of an applicant that is a majority-
8 owned entity of another entity, in addition to
9 the certification under subparagraph (A), the
10 chief executive officer of the ultimate parent en-
11 tity of the applicant must certify, under penalty
12 of perjury, that it and its majority-owned sub-
13 sidiaries have not engaged in any activity de-
14 scribed in subparagraph (A) or (B) of para-
15 graph (1) and will not do so for the duration
16 of the project.

17 “(C) APPLICATION TO STRAW MAN TRANS-
18 ACTIONS.—In any case in which—

19 “(i) an applicant for insurance, rein-
20 surance, financing, or other assistance
21 under this title is providing goods and
22 services to a project,

23 “(ii) more than 50 percent of such
24 goods and services are acquired from an
25 unaffiliated entity, and

1 “(iii) the unaffiliated entity is receiv-
2 ing \$20,000,000 or more, or sums greater
3 than 50 percent of the amount of the as-
4 sistance provided by the Corporation for
5 the project (including contingent liability),
6 for such goods or services, than the chief
7 executive officer of the unaffiliated entity
8 must make a certification under subpara-
9 graph (A), and any ultimate parent entity
10 must make a certification required by sub-
11 paragraph (B).

12 “(D) DEFINITION.—For purposes of this
13 paragraph, a person is an ultimate parent of an
14 entity if the person owns directly, or through
15 majority ownership of other entities, greater
16 than 50 percent of the equity of the entity.

17 “(4) EXCEPTION.—Notwithstanding the prohi-
18 bition in paragraph (1), the Corporation may pro-
19 vide support for projects in Southern Sudan, South-
20 ern Kordofan/Nuba Mountains State, Blue Nile
21 State, Abyei, Darfur, and marginalized areas in and
22 around Khartoum, if the Corporation, with the con-
23 currence of the Secretary of State, determines that
24 such projects will provide emergency relief, promote
25 economic self-sufficiency, or implement a nonmilitary

1 program in support of a viable peace agreement in
2 Sudan, including the Comprehensive Peace Agree-
3 ment for Sudan and the Darfur Peace Agreement.

4 “(5) PROSPECTIVE APPLICATION OF SUB-
5 SECTION.—This subsection shall not be applied to
6 limit support by the Corporation under this title be-
7 cause a project party engaged in commercial activity
8 specifically licensed by the Office of Foreign Assets
9 Control of the Department of the Treasury.”.

10 (b) TERMINATION.—

11 (1) IN GENERAL.—The amendment made by
12 this section shall cease to be effective—

13 (A) with respect to North Korea, 30 days
14 after the President certifies to the appropriate
15 congressional committees that North Korea
16 does not possess nuclear weapons or maintain a
17 program to produce nuclear weapons;

18 (B) with respect to Iran, 30 days after the
19 President certifies to the appropriate congres-
20 sional committees that Iran does not possess
21 nuclear weapons or maintain a program to
22 produce nuclear weapons; and

23 (C) with respect to Sudan, 30 days after
24 the President certifies to the appropriate con-
25 gressional committees that the Government of

1 Sudan is making a good faith effort to end the
2 humanitarian crisis in Darfur and to provide
3 for the protection of its all of its citizens, in-
4 cluding through efforts to disarm, demobilize,
5 and demilitarize the Janjaweed militia and com-
6 pliance with all relevant United Nations Secu-
7 rity Council Resolutions.

8 (2) DEFINITION.—In this subsection, the term
9 “appropriate congressional committees” means the
10 Committee on Foreign Affairs of the House of Rep-
11 resentatives and the Committee on Foreign Rela-
12 tions of the Senate.

13 **SEC. 9. INCREASED TRANSPARENCY.**

14 (a) IN GENERAL.—Section 237 of the Foreign Assist-
15 ance Act of 1961 (22 U.S.C. 2197) is further amended
16 by adding at the end the following new subsection:

17 “(s) AVAILABILITY OF PROJECT INFORMATION.—Be-
18 ginning 90 days after the date of the enactment of the
19 Overseas Private Investment Corporation Reauthorization
20 Act of 2007, the Corporation shall make public, and post
21 on its Internet website, summaries of all new projects sup-
22 ported by the Corporation, and other relevant information,
23 except that the Corporation shall not include any confiden-
24 tial business information in the summaries and informa-
25 tion made available under this subsection.

1 “(t) REVIEW OF METHODOLOGY.—Not later than
2 180 days after the date of the enactment of the Overseas
3 Private Investment Corporation Reauthorization Act of
4 2007, the Corporation shall publish in the Federal Reg-
5 ister and periodically revise, subject to a period of public
6 comment, the detailed methodology, including relevant
7 regulations, used to assess and monitor the impact of
8 projects supported by the Corporation on the develop-
9 mental and environmental impact of, and international
10 worker rights in, host countries, and on United States em-
11 ployment.

12 “(u) PUBLIC NOTICE PRIOR TO PROJECT AP-
13 PROVAL.—

14 “(1) PUBLIC NOTICE.—The Board of Directors
15 of the Corporation may not vote in favor of any ac-
16 tion proposed to be taken by the Corporation on any
17 Category A project until at least 60 days after the
18 Corporation—

19 “(A) makes available for public comment a
20 summary of the project and relevant informa-
21 tion about the project; and

22 “(B) makes the summary and information
23 described in paragraph (1) available to locally
24 affected groups in the area of impact of the

1 proposed project, and to host country non-
2 governmental organizations.

3 The Corporation shall not include any business con-
4 fidential information in the summary and informa-
5 tion made available under subparagraph (A) and
6 (B).

7 “(2) PUBLISHED RESPONSE.—To the extent
8 practicable, the Corporation shall publish any of its
9 responses to the comments received under paragraph
10 (1) with respect to a category A project and submit
11 the responses to the Board not later than 7 days be-
12 fore a vote is to be taken on any action proposed by
13 the Corporation on the project.

14 “(v) CATEGORY A PROJECT.—In this section, the
15 term ‘category A project’ means any project or other activ-
16 ity for which the Corporation proposes to provide insur-
17 ance, reinsurance, financing, or other support under this
18 title and which is likely to have significant adverse envi-
19 ronmental impacts that are sensitive, diverse, or unprece-
20 dented.”.

21 (b) OFFICE OF ACCOUNTABILITY.—Section 237 of
22 the Foreign Assistance Act of 1961 (22 U.S.C. 2197) is
23 further amended by adding at the end the following new
24 subsection:

1 “(v) OFFICE OF ACCOUNTABILITY.—The Corpora-
2 tion shall maintain an Office of Accountability to provide
3 problem-solving services for projects supported by the Cor-
4 poration and to review the Corporation’s compliance with
5 its environmental, social, worker rights, human rights, and
6 transparency policies and procedures. The Office of Ac-
7 countability shall operate in a manner that is fair, objec-
8 tive and transparent.”.

9 **SEC. 10. FRAUD AND OTHER BREACHES OF CONTRACT.**

10 Section 237(n) of the Foreign Assistance Act of 1961
11 (22 U.S.C. 2197(n)) is amended by adding at the end the
12 following: “The President of the Corporation shall refer
13 to the Department of Justice for appropriate action infor-
14 mation known to the Corporation concerning any substan-
15 tial evidence of—

16 “(1) a violation of this title;

17 “(2) any material breach of contract entered
18 into with the Corporation by an eligible investor; or

19 “(3) any material false representation made by
20 an investor to the Corporation.”.

21 **SEC. 11. EXTENSION OF AUTHORITY TO OPERATE IN IRAQ.**

22 Section 239 of the Foreign Assistance Act of 1961
23 (22 U.S.C. 2199) is amended by adding at the end the
24 following:

1 “(l) OPERATIONS IN IRAQ.—Notwithstanding sub-
2 sections (a) and (b) of section 237, the Corporation is au-
3 thorized to undertake in Iraq any program authorized by
4 this title.”.

5 **SEC. 12. CONSISTENCY WITH EXISTING LAW.**

6 Section 239 of the Foreign Assistance Act of 1961
7 (22 U.S.C. 2199) is further amended by adding at the
8 end the following:

9 “(m) CONSISTENCY WITH OTHER LAW.—Section
10 620L of this Act shall apply to any insurance, reinsurance,
11 guaranty, or other financing issued by the Corporation for
12 projects in the West Bank and Gaza to the same extent
13 as such section applies to other assistance under this Act.

14 “(n) LIMITATION ON ASSISTANCE TO GAZA AND THE
15 WEST BANK .—The Corporation may not provide insur-
16 ance, reinsurance, a guaranty, financing, or other assist-
17 ance to support a project in any part of Gaza or the West
18 Bank unless the Secretary of State determines that the
19 location for the project is no longer under the effective
20 control of Hamas or any other foreign terrorist organiza-
21 tion designated under section 219 of the Immigration and
22 Nationality Act (8 U.S.C. 1189).”.

1 **SEC. 13. TECHNICAL CORRECTIONS.**

2 (a) PILOT EQUITY FINANCE PROGRAM.—Section 234
3 of the Foreign Assistance Act of 1961 (22 U.S.C. 2194)
4 is amended—

5 (1) by striking subsection (g); and

6 (2) by redesignating subsection (h) as sub-
7 section (g).

8 (b) TRANSFER AUTHORITY.—Section 235 of the For-
9 eign Assistance Act of 1961 (22 U.S.C. 2195) is
10 amended—

11 (1) by striking subsection (e); and

12 (2) by redesignating subsection (f) as sub-
13 section (e).

14 (c) GUARANTY CONTRACT.—Section 237(j) of the
15 Foreign Assistance Act of 1961 (22 U.S.C. 2197(j)) is
16 amended by inserting “insurance, reinsurance, and” after
17 “Each”.

18 (d) TRANSFER OF PREDECESSOR PROGRAMS AND
19 AUTHORITIES.—

20 (1) TRANSFER.—Section 239 of the Foreign
21 Assistance Act of 1961 (22 U.S.C. 2199) is
22 amended—

23 (A) by striking subsection (b); and

24 (B) by redesignating the subsections (c)
25 through (m) (as added by section 12 of this
26 Act) as subsections (b) through (l), respectively.

1 (2) CONFORMING AMENDMENTS.—(A) Section
2 237(m)(1) of the Foreign Assistance Act of 1961
3 (22 U.S.C. 2197(m)(1)) is amended by striking
4 “239(g)” and inserting “239(f)”.

5 (B) Section 240A(a) of the Foreign Assistance
6 Act of 1961 (22 U.S.C. 2200A(a)) is amended—

7 (i) in paragraph (1), by striking “239(h)”
8 and inserting “239(g)”; and

9 (ii) in paragraph (2)(A), by striking
10 “239(i)” and inserting “239(h)”.

11 (C) Section 209(e)(16) of the Admiral James
12 W. Nance and Meg Donovan Foreign Relations Au-
13 thorization Act, Fiscal Years 2000 and 2001 (as en-
14 acted into law by section 1000(a)(7) of Public Law
15 106-113; 31 U.S.C. 1113 note) is amended by strik-
16 ing “239(c)” and “2199(c)” and inserting “239(b)”
17 and “2199(b)”, respectively.

18 (e). ADDITIONAL CLERICAL AMENDMENTS.—(1) Sec-
19 tion 234(b) of the Foreign Assistance Act of 1961 (22
20 U.S.C. 2194(b)) is amended by striking “235(a)(2)” and
21 inserting “235(a)(1)”.

22 (2) Section 236 of the Foreign Assistance Act of
23 1961 (22 U.S.C. 2196) is amended—

1 (A) in subsection (b), by striking “the Direct
2 Investment Fund established pursuant to section
3 235,”; and

4 (B) by redesignating subsections (a) through
5 (a) as paragraphs (1) through (3), respectively.

6 **SEC. 14. EFFECTIVE DATE.**

7 (a) NEW APPLICATIONS.—This Act and the amend-
8 ments made by this Act shall apply with respect to any
9 application for insurance, reinsurance, a guaranty, financ-
10 ing, or other support under title IV of chapter 2 of part
11 I of the Foreign Assistance Act of 1961 if the application
12 is received by the Overseas Private Investment Corpora-
13 tion on or after July 1, 2007, and is approved by the Cor-
14 poration on or after the date of the enactment of this Act.

15 (b) EXTENSIONS AND RENEWALS.—This Act and the
16 amendments made by this Act shall apply with respect to
17 any extension or renewal of a contract or agreement for
18 any such insurance, reinsurance, guaranty, financing, or
19 support that was entered into by the Corporation before
20 the date of the enactment of this Act if the extension or
21 renewal is approved by the Corporation on or after such
22 date of enactment.

Mr. SHERMAN. I now call up the amendment in the nature of a substitute, which is before each member in their folder, and I ask unanimous consent that this substitute be considered as read and considered as base text for purposes of markup.

Hearing no objection, we have that unanimous consent.

[The amendment of Mr. Sherman follows:]

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 2798
OFFERED BY MR. SHERMAN OF CALIFORNIA**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Overseas Private In-
3 vestment Corporation Reauthorization Act of 2007”.

4 SEC. 2. FINDINGS.

5 The Congress finds the following:

6 (1) Since its founding in 1971, the Overseas
7 Private Investment Corporation (in this section re-
8 ferred to as “OPIC”) has helped to mobilize and fa-
9 cilitate private capital by United States investors in
10 developing and emerging market countries in sup-
11 port of United States foreign policy and development
12 goals.

13 (2) OPIC assistance should not, in any way,
14 support projects in countries that reject their obliga-
15 tions to support international peace, security, and
16 basic human rights.

17 (3) OPIC assistance should not be provided to
18 those who support enemies of the United States.

1 (4) OPIC assistance is a privilege and should be
2 granted to persons that, along with their affiliated
3 companies, demonstrate responsible and sustainable
4 business practices, particularly with regard to the
5 environment, international worker rights, and efforts
6 against genocide and nuclear proliferation. Denial of
7 OPIC assistance is not a penalty or sanction.

8 (5) Over OPIC's 35-year history, OPIC has
9 supported \$177,000,000,000 in operating invest-
10 ments in more than 150 developing countries, helping
11 to create more than 800,000 jobs and some
12 \$13,000,000,000 in host-government revenues.

13 (6) OPIC projects have generated
14 \$71,000,000,000 in United States exports and sup-
15 ported more than 271,000 United States jobs.

16 (7) Projects assisted by OPIC in fiscal year
17 2006 are projected to generate \$1,000,000,000 in
18 United States exports, support more than 2,700
19 United States jobs, and have a positive impact on
20 the United States balance of payments

21 (8) In fiscal year 2006, 87 percent of all OPIC-
22 supported projects supported small-and-medium-
23 sized businesses in the United States. .

24 (9) In an era of limited Federal budgetary re-
25 sources, OPIC has consistently demonstrated an

1 ability to operate on a self-sustaining basis to sup-
2 port United States companies, all at a net cost of
3 zero to the United States taxpayer.

4 (10) OPIC has reserves totaling approximately
5 \$5,300,000,000 and will make an estimated net
6 budget contribution to the international affairs ac-
7 count of \$159,000,000 in fiscal year 2008.

8 **SEC. 3. REAUTHORIZATION OF OPIC PROGRAMS.**

9 Section 235(a)(2) of the Foreign Assistance Act of
10 1961 (22 U.S.C. 2195(a)(2)) is amended by striking
11 “2007” and inserting “ September 30, 2011” .

12 **SEC. 4. REQUIREMENTS REGARDING INTERNATIONAL**
13 **WORKER RIGHTS.**

14 (a) COUNTRY REQUIREMENTS.—Subsection (a) of
15 section 231A of the Foreign Assistance Act of 1961 (22
16 U.S.C. 2191a(a)) is amended—

17 (1) by amending the subsection heading to read
18 as follows: “INTERNATIONAL WORKER RIGHTS”;

19 (2) in paragraph (4), by striking “(4) In” and
20 inserting “(5) ADDITIONAL DETERMINATION.—In” ;
21 and

22 (3) by striking paragraphs (1) through (3) and
23 inserting the following:

24 “(1) LIMITATION ON OPIC ACTIVITIES.—(A)
25 The Corporation may insure, reinsure, guarantee, or

1 finance a project only if the country in which the
2 project is to be undertaken has made or is making
3 significant progress towards the recognition, adop-
4 tion, and implementation of laws that substantially
5 provide international worker rights, including in any
6 designated zone, or special administrative region or
7 area, in that country.

8 “(B) The Corporation shall also include the fol-
9 lowing language, in substantially the following form,
10 in all contracts which the Corporation enters into
11 with eligible investors to provide financial support
12 under this title:

13 “‘The investor agrees not to take any actions
14 to obstruct or prevent employees of the foreign en-
15 terprise from exercising their international worker
16 rights (as defined in section 238(h) of the Foreign
17 Assistance Act of 1961), and agrees to adhere to the
18 obligations regarding those international worker
19 rights.’

20 “(2) PREFERENCE TO CERTAIN COUNTRIES.—
21 To the degree possible and consistent with its devel-
22 opment objectives, the Corporation shall give pref-
23 erential consideration to projects in countries that
24 have adopted, maintain, and enforce laws that sub-
25 stantially provide international worker rights.

1 “(3) USE OF ANNUAL REPORTS ON INTER-
2 NATIONAL WORKER RIGHTS.—The Corporation shall,
3 in carrying out paragraph (1)(A), use, among other
4 sources, the reports submitted to the Congress pur-
5 suant to section 504 of the Trade Act of 1974. Such
6 other sources include the observations, reports, and
7 recommendations of the International Labor Organi-
8 zation, and other relevant organizations.

9 “(4) INAPPLICABILITY TO HUMANITARIAN AC-
10 TIVITIES.—Paragraph (1) shall not prohibit the Cor-
11 poration from providing any insurance, reinsurance,
12 guaranty, financing, or other assistance for the pro-
13 vision of humanitarian assistance in a country.”.

14 (b) BOARD OF DIRECTORS.—Section 233(b) of the
15 Foreign Assistance Act of 1961 (22 U.S.C. 2193(b)) is
16 amended by adding at the end the following: “The selec-
17 tion of the small business, organized labor, and coopera-
18 tive directors should be made, respectively, in consultation
19 with relevant representative organizations.”.

20 (c) DEFINITIONS.—Section 238 of the Foreign As-
21 sistance Act of 1961 (22 U.S.C. 2198) is amended—

22 (1) in subsection (f), by striking “and” after
23 the semicolon;

24 (2) in subsection (g), by striking the period at
25 the end and inserting “; and”; and

1 (3) by adding at the end the following:

2 “(h) the term ‘international worker rights’
3 means—

4 “(1) internationally recognized worker
5 rights, as defined in section 507(4) of the
6 Trade Act of 1974 (19 U.S.C. 2467(4); and

7 “(2) the elimination of discrimination with
8 respect to employment and occupation.”.

9 (d) GENERAL PROVISIONS AND POWERS.—Section
10 239 of the Foreign Assistance Act of 1961 (22 U.S.C.
11 2199) is amended—

12 (1) in subsection (h), by adding at the end the
13 following: “In addition, the Corporation should con-
14 sult with relevant stakeholders in developing such
15 criteria.”; and

16 (2) in subsection (i), in the first sentence, by
17 inserting “, including international worker rights,”
18 after “fundamental freedoms”.

19 **SEC. 5. COMMUNITY SUPPORT.**

20 Section 237 of the Foreign Assistance Act of 1961
21 (22 U.S.C. 2191(n)) is amended by adding at the end the
22 following:

23 “(p) COMMUNITY SUPPORT.—To the maximum ex-
24 tent practicable, the Corporation shall require the appli-
25 cant for a project that is subject to the requirements in

1 section 231A(b) to obtain broad community support for
2 the project.”.

3 **SEC. 6. CLIMATE CHANGE MITIGATION ACTION PLAN.**

4 Title IV of chapter 2 of part I of the Foreign Assist-
5 ance Act of 1961 (22 U.S.C. 2291 et seq.) is amended
6 by inserting after section 234A the following new section:

7 **“SEC. 234B. CLIMATE CHANGE MITIGATION.**

8 “(a) MITIGATION ACTION PLAN.—The Corporation
9 shall, not later than 180 days after the date of the enact-
10 ment of the Overseas Private Investment Corporation Re-
11 authorization Act of 2007, institute a climate change miti-
12 gation action plan that includes the following:

13 “(1) CLEAN AND EFFICIENT ENERGY TECH-
14 NOLOGY.—

15 “(A) INCREASING ASSISTANCE.—The Cor-
16 poration shall establish a goal of substantially
17 increasing its support of projects that use, de-
18 velop, or otherwise promote the use of clean en-
19 ergy technologies over the 4-year period begin-
20 ning on the date of the enactment of the Over-
21 seas Private Investment Corporation Reauthor-
22 ization Act of 2007.

23 “(B) PREFERENTIAL TREATMENT TO
24 PROJECTS.—The Corporation shall give pref-
25 erential treatment to the evaluation and award-

1 ing of assistance for and provide greater flexi-
2 bility in supporting projects that involve the in-
3 vestment or use of clean and efficient energy
4 technologies.

5 “(2) ENVIRONMENTAL IMPACT ASSESS-
6 MENTS.—

7 “(A) GREENHOUSE GAS EMISSIONS.—The
8 Corporation shall, in making an environmental
9 impact assessment for a project under section
10 231A(b) in which assistance by the Corporation
11 would be valued at \$10,000,000 or more (in-
12 cluding contingent liability), take into account
13 the degree to which the project contributes to
14 the emission of greenhouse gases.

15 “(B) OTHER DUTIES NOT AFFECTED.—
16 The requirement under subparagraph (A) is in
17 addition to the any other requirement, obliga-
18 tion, or duty that Corporation has.

19 “(3) REPORT TO CONGRESSIONAL COMMIT-
20 TEES.—The Corporation shall, within 180 days after
21 the date of the enactment of the Overseas Private
22 Investment Corporation Reauthorization Act of
23 2007, submit to the Committee on Foreign Affairs
24 of the House of Representatives and the Committee
25 on Foreign Relations of the Senate a report on the

1 strategy developed to carry out paragraph (1)(A).
2 Thereafter, the Corporation shall include in its an-
3 nual report under section 240A a discussion of the
4 strategy and its implementation.

5 “(b) EXTRACTION INVESTMENTS.—

6 “(1) PRIOR NOTIFICATION TO CONGRESSIONAL
7 COMMITTEES.—The Corporation may not approve
8 any contract of insurance or reinsurance, or any
9 guaranty, or enter into any agreement to provide fi-
10 nancing for any project which significantly involves
11 an extractive industry and in which assistance by the
12 Corporation would be valued at \$10,000,000 or
13 more (including contingent liability), until at least
14 30 days after the Corporation notifies the Com-
15 mittee on Foreign Affairs of the House of Rep-
16 resentatives and the Committee on Foreign Rela-
17 tions of the Senate of such contract or agreement.

18 “(2) COMMITMENT TO EITI PRINCIPLES.—The
19 Corporation may approve a contract of insurance or
20 reinsurance, or any guaranty, or enter into an agree-
21 ment to provide financing to an eligible investor for
22 a project that significantly involves an extractive in-
23 dustry only if—

1 “(A) the eligible investor has agreed to im-
2 plement the Extractive Industries Transparency
3 Initiative principles and criteria; or

4 “(B) the host country where the project is
5 to be carried out has committed to the Extrac-
6 tive Industries Transparency Initiative prin-
7 ciples and criteria.

8 “(3) DEFINITIONS.—In this subsection:

9 “(A) EXTRACTIVE INDUSTRY.—The term
10 ‘extractive industry’ refers to an enterprise en-
11 gaged in the exploration, development, or ex-
12 traction of oil and gas reserves, metal ores,
13 gemstones, industrial minerals, or coal.

14 “(B) EXTRACTIVE INDUSTRIES TRANS-
15 PARENCY INITIATIVE PRINCIPLES AND CRI-
16 TERIA.—The term ‘Extractive Industries Trans-
17 parency Initiative principles and criteria’ means
18 the principles and criteria of the Extractive In-
19 dustries Transparency Initiative, as set forth in
20 Annex A to the Anti-Corruption Policies and
21 Strategies Handbook of the Corporation, as
22 published in September 2006.

23 “(c) DEFINITIONS.—In this section:

24 “(1) CLEAN AND EFFICIENT ENERGY TECH-
25 NOLOGY.—The term ‘clean and efficient energy tech-

1 nology’ means an energy supply or end-use
2 technology—

3 “(A) such as—

4 “(i) solar technology;

5 “(ii) wind technology;

6 “(iii) geothermal technology;

7 “(iv) hydroelectric technology; and

8 “(v) carbon capture technology; and

9 “(B) that, over its life cycle and compared
10 to a similar technology already in commercial
11 use—

12 “(i) is reliable, affordable, economi-
13 cally viable, socially acceptable, and com-
14 patible with the needs and norms of the
15 country involved;

16 “(ii) results in—

17 “(I) reduced emissions of green-
18 house gases; or

19 “(II) increased geological seques-
20 tration; and

21 “(iii) may—

22 “(I) substantially lower emissions
23 of air pollutants; or

12

1 “(II) generate substantially
2 smaller or less hazardous quantities of
3 solid or liquid waste.

4 “(2) GREENHOUSE GAS.—The term ‘greenhouse
5 gas’ means—

6 “(A) carbon dioxide;

7 “(B) methane;

8 “(C) nitrous oxide;

9 “(D) hydrofluorocarbons;

10 “(E) perfluorocarbons; or

11 “(F) sulfur hexafluoride.

12 “(d) REPORTING REQUIREMENT.—The Corporation
13 shall include in its annual report required under section
14 240A a description of its activities to carry out this sec-
15 tion.”.

16 **SEC. 7. PROHIBITION ON ASSISTANCE TO DEVELOP OR**
17 **PROMOTE CERTAIN RAILWAY CONNECTIONS**
18 **AND RAILWAY-RELATED CONNECTIONS.**

19 Section 237 of the of the Foreign Assistance Act of
20 1961 (22 U.S.C. 2197) is further amended by adding at
21 the end the following:

22 “(q) PROHIBITION ON ASSISTANCE FOR CERTAIN
23 RAILWAY PROJECTS.—The Corporation may not provide
24 insurance, reinsurance, a guaranty, financing, or other as-
25 sistance to support the development or promotion of any

1 railway connection or railway-related connection that does
2 not traverse or connect with Armenia and does connect
3 Azerbaijan and Turkey.”.

4 **SEC. 8. INELIGIBILITY OF PERSONS DOING CERTAIN BUSI-**
5 **NESS WITH STATE SPONSORS OF TERRORISM.**

6 (a) IN GENERAL.—Section 237 of the of the Foreign
7 Assistance Act of 1961 (22 U.S.C. 2197) is further
8 amended by adding at the end the following:

9 “(r) INELIGIBLE PROJECTS.—

10 “(1) IN GENERAL.—A project will not be eligi-
11 ble to receive support provided by the Corporation
12 under this title if either of the following applies:

13 “(A)(i) An applicant for insurance, rein-
14 surance, financing, or other support for a
15 project provided to the government of a state
16 sponsor of terrorism a loan, or an extension of
17 credit, that remains outstanding.

18 “(ii) For purposes of this subparagraph,
19 the sale of goods, other than food or medicine,
20 on any terms other than a cash basis shall be
21 considered to be an extension of credit.

22 “(B) An applicant for insurance, reinsur-
23 ance, financing, or other support for a project
24 has an investment commitment valued at
25 \$20,000,000 or more for the energy sector.

1 “(2) DEFINITIONS.—In this subsection:

2 “(A) CASH BASIS.—The term ‘cash basis’
3 refers to a sale in which the purchaser of goods
4 or services is required to make payment in full
5 within 45 days after receiving the goods or
6 services.

7 “(B) ENERGY SECTOR.—The term ‘energy
8 sector’ refers to activities to develop or trans-
9 port petroleum or natural gas resources.

10 “(C) INVESTMENT COMMITMENT.—The
11 term ‘investment commitment’ means any of
12 the following activities if such activity is under-
13 taken pursuant to a commitment, or pursuant
14 to the exercise of rights under a commitment,
15 that was entered into with the government of a
16 state sponsor of terrorism or a nongovern-
17 mental entity in a country that is a state spon-
18 sor of terrorism:

19 “(i) The entry into a contract that in-
20 cludes responsibility for the development of
21 petroleum resources located in a country
22 that is a state sponsor of terrorism, or the
23 entry into a contract providing for the gen-
24 eral supervision and guarantee of another
25 person’s performance of such a contract.

1 “(ii) The purchase of a share of own-
2 ership, including an equity interest, in that
3 development.

4 “(iii) The entry into a contract pro-
5 viding for the participation in royalties,
6 earnings, or profits in that development,
7 without regard to the form of the partici-
8 pation.

9 “(D) STATE SPONSOR OF TERRORISM.—
10 The term ‘state sponsor of terrorism’ means a
11 country the government of which the Secretary
12 of State has determined, for purposes of section
13 6(j) of the Export Administration Act of 1979,
14 section 620A of the Foreign Assistance Act of
15 1961, section 40 of the Arms Export Control
16 Act, or any other provision of law, to be a gov-
17 ernment that has repeatedly provided support
18 for acts of international terrorism.

19 “(3) CERTIFICATION.—

20 “(A) BY APPLICANTS.—A person or entity
21 applying for insurance, reinsurance, a guaranty,
22 financing, or other assistance under this title
23 may not receive such support unless its chief
24 executive officer certifies to the Corporation,
25 under penalty of perjury, that the person or en-

1 tity and its majority-owned subsidiaries have
2 not engaged in any activity described in sub-
3 paragraph (A) or (B) of paragraph (1) and will
4 not do so for the duration of the project.

5 “(B) BY ULTIMATE PARENT ENTITIES.—
6 In the case of an applicant that is a majority-
7 owned entity of another entity, in addition to
8 the certification under subparagraph (A), the
9 chief executive officer of the ultimate parent en-
10 tity of the applicant must certify, under penalty
11 of perjury, that it and its majority-owned sub-
12 sidiaries have not engaged in any activity de-
13 scribed in subparagraph (A) or (B) of para-
14 graph (1) and will not do so for the duration
15 of the project.

16 “(C) APPLICATION TO STRAW MAN TRANS-
17 ACTIONS.—In any case in which—

18 “(i) an applicant for insurance, rein-
19 surance, financing, or other assistance
20 under this title is providing goods and
21 services to a project,

22 “(ii) more than 50 percent of such
23 goods and services are acquired from an
24 unaffiliated entity, and

1 “(iii) the unaffiliated entity is receiv-
2 ing \$20,000,000 or more, or sums greater
3 than 50 percent of the amount of the as-
4 sistance provided by the Corporation for
5 the project (including contingent liability),
6 for such goods or services, then the chief
7 executive officer of the unaffiliated entity
8 must make a certification under subpara-
9 graph (A), and any ultimate parent entity
10 must make a certification required by sub-
11 paragraph (B).

12 “(D) DEFINITION.—For purposes of this
13 paragraph, a person is an ultimate parent of an
14 entity if the person owns directly, or through
15 majority ownership of other entities, greater
16 than 50 percent of the equity of the entity.

17 “(4) EXCEPTION.—The prohibition in para-
18 graph (1) shall not apply to a loan, extension of
19 credit, or investment commitment in Southern
20 Sudan, Southern Kordofan/Nuba Mountains State,
21 Blue Nile State, Abyei, Darfur, ~~or marginalized~~
22 ~~areas in and around Khartoum,~~ if the Corporation,
23 with the concurrence of the Secretary of State, de-
24 termines that such loan, extension of credit, or in-
25 vestment commitment will provide emergency relief,

1 promote economic self-sufficiency, or implement a
 2 nonmilitary program in support of a viable peace
 3 agreement in Sudan, including the Comprehensive
 4 Peace Agreement for Sudan and the Darfur Peace
 5 Agreement.

6 “(5) PROSPECTIVE APPLICATION OF SUB-
 7 SECTION.—This subsection shall not be applied to
 8 limit support by the Corporation under this title be-
 9 cause a project party engaged in commercial activity
 10 specifically licensed by the Office of Foreign Assets
 11 Control of the Department of the Treasury.”.

12 (b) TERMINATION.—

13 (1) IN GENERAL.—The amendment made by
 14 this section shall cease to be effective with respect
 15 to a country that is a state sponsor of terrorism 30
 16 days after the President certifies to the appropriate
 17 congressional committees that—

18 (A) the country does not posses nuclear
 19 weapons or a ^{significant} program to develop nuclear weap-
 20 ons; and
 21 (B) the country ^{is not committing} ~~does not commit~~ genocide
 22 ^{conducting} or a program of ethnic cleansing against a civil-
 23 ian population that approaches genocide.

24 (2) DEFINITION.—In this subsection, the term
 25 “appropriate congressional committees” means the

1 Committee on Foreign Affairs of the House of Rep-
2 resentatives and the Committee on Foreign Rela-
3 tions of the Senate.

4 **SEC. 9. INCREASED TRANSPARENCY.**

5 (a) IN GENERAL.—Section 237 of the Foreign Assist-
6 ance Act of 1961 (22 U.S.C. 2197) is further amended
7 by adding at the end the following new subsection:

8 “(s) AVAILABILITY OF PROJECT INFORMATION.—Be-
9 ginning 90 days after the date of the enactment of the
10 Overseas Private Investment Corporation Reauthorization
11 Act of 2007, the Corporation shall make public, and post
12 on its Internet website, summaries of all new projects sup-
13 ported by the Corporation, and other relevant information,
14 except that the Corporation shall not include any confiden-
15 tial business information in the summaries and informa-
16 tion made available under this subsection.

17 “(t) REVIEW OF METHODOLOGY.—Not later than
18 180 days after the date of the enactment of the Overseas
19 Private Investment Corporation Reauthorization Act of
20 2007, the Corporation shall publish in the Federal Reg-
21 ister and periodically revise, subject to a period of public
22 comment, the detailed methodology, including relevant
23 regulations, used to assess and monitor the impact of
24 projects supported by the Corporation on the develop-
25 mental and environmental impact of, and international

1 worker rights in, host countries, and on United States em-
2 ployment.

3 “(u) PUBLIC NOTICE PRIOR TO PROJECT AP-
4 PROVAL.—

5 “(1) PUBLIC NOTICE.—The Board of Directors
6 of the Corporation may not vote in favor of any ac-
7 tion proposed to be taken by the Corporation on any
8 Category A project until at least 60 days after the
9 Corporation—

10 “(A) makes available for public comment a
11 summary of the project and relevant informa-
12 tion about the project; and

13 “(B) makes the summary and information
14 described in paragraph (1) available to locally
15 affected groups in the area of impact of the
16 proposed project, and to host country non-
17 governmental organizations.

18 The Corporation shall not include any business con-
19 fidential information in the summary and informa-
20 tion made available under subparagraph (A) and
21 (B).

22 “(2) PUBLISHED RESPONSE.—To the extent
23 practicable, the Corporation shall publish any of its
24 responses to the comments received under paragraph
25 (1) with respect to a category A project and submit

1 the responses to the Board not later than 7 days be-
2 fore a vote is to be taken on any action proposed by
3 the Corporation on the project.

4 “(v) CATEGORY A PROJECT.—In this section, the
5 term ‘category A project’ means any project or other activ-
6 ity for which the Corporation proposes to provide insur-
7 ance, reinsurance, financing, or other support under this
8 title and which is likely to have significant adverse envi-
9 ronmental impacts.”.

10 (b) OFFICE OF ACCOUNTABILITY.—Section 237 of
11 the Foreign Assistance Act of 1961 (22 U.S.C. 2197) is
12 further amended by adding at the end the following new
13 subsection:

14 “(v) OFFICE OF ACCOUNTABILITY.—The Corpora-
15 tion shall maintain an Office of Accountability to provide
16 problem-solving services for projects supported by the Cor-
17 poration and to review the Corporation’s compliance with
18 its environmental, social, worker rights, human rights, and
19 transparency policies and procedures. The Office of Ac-
20 countability shall operate in a manner that is fair, objec-
21 tive and transparent.”.

22 **SEC. 10. FRAUD AND OTHER BREACHES OF CONTRACT.**

23 Section 237(n) of the Foreign Assistance Act of 1961
24 (22 U.S.C. 2197(n)) is amended by adding at the end the
25 following: “The President of the Corporation shall refer

1 to the Department of Justice for appropriate action infor-
2 mation known to the Corporation concerning any substan-
3 tial evidence of—

4 “(1) a violation of this title;

5 “(2) any material breach of contract entered
6 into with the Corporation by an eligible investor; or

7 “(3) any material false representation made by
8 an investor to the Corporation.”.

9 **SEC. 11. TRANSPARENCY AND ACCOUNTABILITY OF IN-**
10 **VESTMENT FUNDS.**

11 (a) IN GENERAL.—Section 239 of the Foreign Assist-
12 ance Act of 1961 is amended by adding at the end the
13 following:

14 “(1) TRANSPARENCY AND ACCOUNTABILITY OF IN-
15 VESTMENT FUNDS.—

16 “(1) COMPETITIVE SELECTION OF INVESTMENT
17 FUND MANAGEMENT.—With respect to any invest-
18 ment fund that the Corporation creates on or after
19 the date of the enactment of the Overseas Private
20 Investment Corporation Reauthorization Act of
21 2007, the Corporation may select persons to manage
22 the fund only by contract using full and open com-
23 petitive procedures.

24 “(2) CRITERIA FOR SELECTION.—In assessing
25 proposals for investment fund management pro-

1 posals, the Corporation shall consider, in addition to
2 other factors, the following:

3 “(A) The prospective fund management’s
4 experience, depth, and cohesiveness.

5 “(B) The prospective fund management’s
6 track record in investing risk capital in emerg-
7 ing markets.

8 “(C) The prospective fund management’s
9 experience, management record, and monitoring
10 capabilities in its target countries, including de-
11 tails of local presence (directly or through local
12 alliances).

13 “(D) The prospective fund management’s
14 experience as a fiduciary in managing institu-
15 tional capital, meeting reporting requirements,
16 and administration.

17 “(E) The prospective fund management’s
18 record in avoiding investments in companies
19 that would be disqualified under section 237(r).

20 “(3) ANNUAL REPORT.—The Corporation shall
21 include in each annual report under section 240A an
22 analysis of the investment fund portfolio of the Cor-
23 poration, including the following:

24 “(A) FUND PERFORMANCE.—An analysis
25 of the aggregate financial performance of the

1 investment fund portfolio grouped by region
2 and maturity, including a comparison with in-
3 dustry benchmarks.

4 “(B) STATUS OF LOAN GUARANTIES.—The
5 amount of guaranties committed by the Cor-
6 poration to support investment funds, including
7 the percentage of such amount that has been
8 disbursed to the investment funds.

9 “(C) RISK RATINGS.—The definition of
10 risk ratings, and the current aggregate risk rat-
11 ings for the investment fund portfolio, including
12 the number of investment funds in each of the
13 Corporation’s rating categories.

14 “(D) COMPETITIVE SELECTION OF INVEST-
15 MENT FUND MANAGEMENT.— The number of
16 proposals received and evaluated for each newly
17 established investment fund.”.

18 (b) GAO AUDIT.—Not later than 1 year after the
19 submission of the first report to Congress under section
20 240A of the Foreign Assistance Act of 1961 that includes
21 the information required by section 239(l)(3) of that Act
22 (as added by subsection (a) of this section), the Comp-
23 troller General of the United States shall prepare and sub-
24 mit to the Congress an independent assessment of the in-
25 vestment fund portfolio of the Overseas Private Invest-

1 ment Corporation, covering the items required to be ad-
2 dressed under such section 239(1)(3).

3 **SEC. 12. EXTENSION OF AUTHORITY TO OPERATE IN IRAQ.**

4 Section 239 of the Foreign Assistance Act of 1961
5 (22 U.S.C. 2199) is amended by adding at the end the
6 following:

7 “(m) OPERATIONS IN IRAQ.—Notwithstanding sub-
8 sections (a) and (b) of section 237, the Corporation is au-
9 thorized to undertake in Iraq any program authorized by
10 this title.”.

11 **SEC. 13. CONSISTENCY WITH EXISTING LAW.**

12 Section 239 of the Foreign Assistance Act of 1961
13 (22 U.S.C. 2199) is further amended by adding at the
14 end the following:

15 “(n) CONSISTENCY WITH OTHER LAW.—Section
16 620L of this Act shall apply to any insurance, reinsurance,
17 guaranty, or other financing issued by the Corporation for
18 projects in the West Bank and Gaza to the same extent
19 as such section applies to other assistance under this Act.

20 “(o) LIMITATION ON ASSISTANCE TO GAZA AND THE
21 WEST BANK .—The Corporation may not provide insur-
22 ance, reinsurance, a guaranty, financing, or other assist-
23 ance to support a project in any part of Gaza or the West
24 Bank unless the Secretary of State determines that the
25 location for the project is not under the effective control

1 of Hamas or any other foreign terrorist organization des-
2 ignated under section 219 of the Immigration and Nation-
3 ality Act (8 U.S.C. 1189).”.

4 **SEC. 14. CONGRESSIONAL NOTIFICATION REGARDING MAX-**
5 **IMUM CONTINGENT LIABILITY.**

6 Section 239 of the Foreign Assistance Act of 1961
7 (22 U.S.C. 2199) is further amended by adding at the
8 end the following:

9 “(p) CONGRESSIONAL NOTIFICATION OF INCREASE
10 IN MAXIMUM CONTINGENT LIABILITY.—The Corporation
11 shall notify the Committee on Foreign Affairs of the
12 House of Representatives and the Committee on Foreign
13 Relations of the Senate not later than 15 days after the
14 date on which the Corporation’s maximum contingent li-
15 ability outstanding at any one time pursuant to insurance
16 issued under section 234(a), and the amount of financing
17 issued under sections 234(b) and (c), exceeds the previous
18 fiscal year’s maximum contingent liability by 25 percent.”.

19 **SEC. 15. TECHNICAL CORRECTIONS.**

20 (a) PILOT EQUITY FINANCE PROGRAM.—Section 234
21 of the Foreign Assistance Act of 1961 (22 U.S.C. 2194)
22 is amended—

23 (1) by striking subsection (g); and

24 (2) by redesignating subsection (h) as sub-
25 section (g).

1 (b) TRANSFER AUTHORITY.—Section 235 of the For-
2 eign Assistance Act of 1961 (22 U.S.C. 2195) is
3 amended—

4 (1) by striking subsection (e); and

5 (2) by redesignating subsection (f) as sub-
6 section (e).

7 (c) GUARANTY CONTRACT.—Section 237(j) of the
8 Foreign Assistance Act of 1961 (22 U.S.C. 2197(j)) is
9 amended by inserting “insurance, reinsurance, and” after
10 “Each”.

11 (d) TRANSFER OF PREDECESSOR PROGRAMS AND
12 AUTHORITIES.—

13 (1) TRANSFER.—Section 239 of the Foreign
14 Assistance Act of 1961 (22 U.S.C. 2199) is
15 amended—

16 (A) by striking subsection (b); and

17 (B) by redesignating the subsections (c)
18 through (p) (as added by section 14 of this Act)
19 as subsections (b) through (l), respectively.

20 (2) CONFORMING AMENDMENTS.—(A) Section
21 237(m)(1) of the Foreign Assistance Act of 1961
22 (22 U.S.C. 2197(m)(1)) is amended by striking
23 “239(g)” and inserting “239(f)”.

24 (B) Section 240A(a) of the Foreign Assistance
25 Act of 1961 (22 U.S.C. 2200A(a)) is amended—

1 (i) in paragraph (1), by striking “239(h)”
2 and inserting “239(g)”; and

3 (ii) in paragraph (2)(A), by striking
4 “239(i)” and inserting “239(h)”.

5 (C) Section 209(e)(16) of the Admiral James
6 W. Nance and Meg Donovan Foreign Relations Au-
7 thorization Act, Fiscal Years 2000 and 2001 (as en-
8 acted into law by section 1000(a)(7) of Public Law
9 106-113; 31 U.S.C. 1113 note) is amended by strik-
10 ing “239(c)” and “2199(c)” and inserting “239(b)”
11 and “2199(b)”, respectively.

12 (e). ADDITIONAL CLERICAL AMENDMENTS.—(1) Sec-
13 tion 234(b) of the Foreign Assistance Act of 1961 (22
14 U.S.C. 2194(b)) is amended by striking “235(a)(2)” and
15 inserting “235(a)(1)”.

16 (2) Section 236 of the Foreign Assistance Act of
17 1961 (22 U.S.C. 2196) is amended—

18 (A) in subsection (b), by striking “the Direct
19 Investment Fund established pursuant to section
20 235,”; and

21 (B) by redesignating subsections (a) through
22 (a) as paragraphs (1) through (3), respectively.

23 **SEC. 16. EFFECTIVE DATE.**

24 (a) NEW APPLICATIONS.—This Act and the amend-
25 ments made by this Act shall apply with respect to any

1 application for insurance, reinsurance, a guaranty, financ-
2 ing, or other support under title IV of chapter 2 of part
3 I of the Foreign Assistance Act of 1961 if the application
4 is received by the Overseas Private Investment Corpora-
5 tion on or after July 1, 2007, and the application is ap-
6 proved by the Corporation on or after the date of the en-
7 actment of this Act.

8 (b) EXTENSIONS AND RENEWALS.—

9 (1) IN GENERAL.—Subject to paragraph (2),
10 this Act and the amendments made by this Act shall
11 apply with respect to any extension or renewal of a
12 contract or agreement for any such insurance, rein-
13 surance, guaranty, financing, or support that was
14 entered into by the Corporation before the date of
15 the enactment of this Act if the extension or renewal
16 is approved by the Corporation on or after such date
17 of enactment.

18 (2) EXCEPTION.—This Act and the amend-
19 ments made by this Act shall not apply to any exten-
20 sion or renewal which is substantially identical to an
21 extension or renewal formally requested in a detailed
22 writing filed with the Corporation before July 1,
23 2007.

Sec. 17 Additional Technical Changes

Section 231(b) of the Foreign Assistance Act of 1961 is amended by striking paragraph (b) and insert the following:

“(b) Environmental Impact. – The Board of Directors of the Corporation shall not vote in favor of any action proposed to be taken by the Corporation that is likely to have significant adverse environmental impacts, unless for at least 60 days before the date of the vote—

- (1) an environmental impact assessment or initial environmental audit, analyzing the environmental impacts of the proposed action and of alternatives to the proposed action has been completed by the project applicant and made available to the Board of Directors; and
- (2) such assessment or audit has been made available to the public of the United States, locally affected groups in the host country, and host country nongovernmental organizations.”

Mr. SHERMAN. The substitute is open for amendment at any point. We will proceed, first, with opening statements and then to whatever amendments there are to the substitute.

The purpose of the bill, and now the substitute, is to extend OPIC, which would otherwise expire on September 30th. The reason for doing this is that it has been a valuable part of our Foreign Aid International Development program and, by most accounts, has cost the United States Government nothing and has made billions of dollars of profit.

Since OPIC, by its nature, assumes long-term contingent liabilities, you can get a dozen actuaries to argue how much profit it has made as of today's date. We know that it has reserves of \$5.3 billion. So if we were to freeze everything now, and if none of those contingent liabilities were to come home to roost, we would have made \$5.3 billion. Most would say that you would need a reserve for the contingent liabilities, but, in any case, unlike virtually every other part of our foreign aid program, over the last 35 years, OPIC has made a profit, and, to me, the only question is, how large has that profit been?

So the first thing that this substitute does is it extends OPIC and reauthorizes it for 4 years.

Second, the purpose is to improve OPIC by focusing, and getting it to focus, on international labor standards, the environment, and the effort, which so many of my colleagues on this subcommittee have heard me talk about constantly, and that is to encourage private corporations around the world to stop investing in the worst-of-the-worst countries in the worst-of-the-worst ways.

When I say "the worst-of-the-worst countries," I want to thank Ileana Ros-Lehtinen, who gave me some ideas on this. Instead of naming any three particular countries, what the substitute does is identifies two criteria: First, to be among the worst countries, you are on the terrorist list. Second, to be the worst of the worst, you are either engaging in nuclear proliferation or have nuclear weapons, as in the case of North Korea at the present time, or you are engaging in genocide.

Why do we focus on those two criteria? Genocide normally involves the deaths of hundreds of thousands of people, and that is what has happened in Darfur, and nuclear weapons, in the hands of a state sponsor of terrorism listed by the State Department, certainly pose the risk of hundreds of thousands, or even millions, of innocent casualties.

So those who are the worst of the worst are not only engaged in state-sponsored terrorism, but engaged in activities that could involve hundreds of thousands or millions of innocent casualties.

With regard to Sudan, one of the refinements made here is we recognize that the government in Khartoum, as bad as it is, fortunately, does not control all of the territory of Sudan, and so we carve out, as not triggering any OPIC denial of participation, investments in certain regions of Sudan. You can then get involved in which regions of Sudan. We identify southern Sudan and western Sudan.

We do not include in the green zone of Sudan certain neighborhoods in Khartoum. When we get to the full committee, and in consultation with Barbara Lee, who has focused so much time, and

others who have focused time on Sudan, we will determine whether the green zone of Sudan includes those certain neighborhoods of Khartoum.

The bill also prohibits OPIC from financing an anti-Armenia railroad. This is based, in large part, on Mr. Crowley's efforts, which I was proud to support, in the Financial Services Committee, where we prohibited Ex-Im Bank from financing an anti-Armenia railroad, and Mr. Royce was very involved in that as well. How could I possibly forget?

I want to thank a number of members for contributing to this substitute. As I have mentioned, Ileana Ros-Lehtinen, the ranking member of the full committee, helped us have a definition of the worst of the worst that may vary over time. We certainly hope that those terrorist states engaged in genocide and nuclear proliferation see the errors of their ways. Likewise, we can fear that some states will become terrorist proliferators or terrorist states engaged in genocide.

I also want to thank Ms. Ros-Lehtinen for the report on unexpected liabilities required in Section 14 of the substitute, and I especially want to thank Mr. Royce for Section 11 of the substitute dealing with transparency and accountability of OPIC's investment funds, and Section 11 is almost, word for word, what Mr. Royce suggested. I added one sentence that I am sure he will love.

There are three ideas that are not in this substitute at the present time but that may very well be added in full committee.

First, I know Mr. Manzullo will want to add some additional language dealing with small businesses. We did not have a formal proposal in time to include it in today's markup, but Mr. Manzullo and I and everyone on the subcommittee will want to make sure that OPIC's statute does everything possible to help small business.

Secondly, Ranking Member Royce and I will be working on his idea that OPIC encourage investment in those countries with open economies, the rule of law, and protection for private property. We do not have the exact language worked out yet, but that is why we look forward to the full committee.

Finally, and this is something I will be working with OPIC staff and management on, OPIC may want to change its name to something like the Corporation for Overseas Private Investment. COPI is not Washington's best acronym, but OPIC is Washington's worst acronym, since it sounds so much like an organization which is causing consternation to every American with an automobile.

With that, I want to yield to the ranking member for his opening statement, and then we will hear other members' opening statements.

Mr. ROYCE. Thank you very much, Mr. Chairman. I am going to endorse your idea for a name of change for OPIC. But this Subcommittee on Terrorism, Nonproliferation, and Trade held a hearing on the Overseas Private Investment Corporation some time ago, and now we are marking up this legislation. I want to say that the chairman has worked very hard on this bill. I also want to thank you for your commitment to regular order in this process, and I, indeed, appreciate the inclusion of the text that I provided for greater transparency in OPIC's investment funds. I appreciate that.

As we know, these funds have had a very troubled past and that was noted in our hearing. There have been reforms, but they should be mandated, and one of the things we try to do in this amendment is to mandate those reforms.

We also should be paying closer attention to the funds' operations, and I think my language should help with that as well.

I understand that OPIC has raised some technical concerns with one of the required report's mandates, but I think, between now and Tuesday of full committee markup, we should be able to work that out.

At our hearing last month, OPIC's president acknowledged that these investment funds have been subject to abuse, including sweetheart investment terms and cronyism. In the 1990s, then-OPIC President Ruth Harkin said, "If you are an investor in an OPIC-supported fund, the worst you can do is get your money back at the end of 10 years." Fund managers were picked for their political contact, not for their investment savvy. This was, in my view, a Washington scam, not the free enterprise OPIC professes to promote.

It took intense congressional pressure to bring some reform to OPIC, mainly fund managers are now competitively selected, which frankly, should be mandatory. The quality of a management team will make or break any investment fund.

Fundamentally, though, regarding OPIC, I remain unconvinced that this is doing something worthwhile that the private sector would not do. The burden of proof should be on OPIC, and its longevity is not a virtue, especially in times of accelerating change in financial markets and trade.

There have been several new private entrants into the political risk-insurance market, offering increasingly sophisticated products, yet we are encouraging government-backed OPIC to continue to compete out there against them. So one question would be: Why do we want to do that?

Most economists believe that subsidizing investment, which is OPIC's function, merely shifts it around, often to lesser productive locations and uses. The Congressional Research Service has reported to us that, "from the point of view of the U.S. economy as a whole, there is little theoretical support or empirical evidence that supports claims that subsidizing exports or overseas investment offers a positive net gain in jobs to the U.S. economy."

Critics are hardly being ideological. At our OPIC hearing, one critic gave an apt description: "Investment is like a rope. Less-developed countries can only pull it in with good policies and opportunities." We cannot push that rope. We cannot push investment in, which is OPIC's mandate.

So, Mr. Chairman, these are some of the reasons I will not be supporting OPIC's reauthorization. I thank you, and I yield my time.

Mr. SHERMAN. Thank you, Mr. Royce.

I want to just take a moment to commend the hard-working staff of the subcommittee: Tom Sheehy on the Republican side; Don MacDonald, John Brodtke, David Bortnick, and Kinsey Kiriakos on the Democratic side. They have been working almost around the

clock to prepare for this markup, and their efforts are to be commended.

With that, let me recognize anyone else for an opening statement.

Mr. BOOZMAN. I would just like to say, Mr. Chairman, first of all, I appreciate you and Mr. Royce working on this, and I think, really, addressing some of the problems that a lot of people have had concern in beefing this thing up. I am going to vote today to go forward, in the sense that I think we need to go ahead and get it to the full committee.

I would hope, and, again, you and your staffs have done a tremendous job of really addressing some concerns that needed to be addressed. I hope, as we go forward in full committee, that, again, I share many of the concerns—in fact, most of the concerns—that Mr. Royce has alluded to, as far as things being mandatory and this and that.

So I would hope, as we go forward in the full committee, that perhaps we can strengthen this thing up even more so, so that I would feel good about supporting the bill out of the full committee. Thank you.

Mr. SHERMAN. I note, we have a quorum of the committee present, and I want to move forward quickly before we lose that quorum.

There is one amendment at the desk. It is suggested by Chairman Lantos. The existing statute OPIC operates under prohibits investment in terrorist states. This amendment simply identifies certain, what I refer to as “green zones” in Sudan where investments can be made. I will ask unanimous consent that the amendment to the amendment in the nature of a substitute, as in everyone’s folder, be adopted. Hearing no objection, it is adopted.

[The amendment of Mr. Sherman follows:]

Amendment offered by Mr. Sherman to the Amendment in the nature of a Substitute to HR 2798

on page 17, line 4, strike all that follow through page 8, line 5 and insert:

“(4) The Prohibition in paragraph (1) shall not –

(a) apply to a loan, extension of credit, or investment commitment in Southern Sudan, Southern Kordofan/Nuba Mountains State, Blue Nile State, and Abyei, Darfur, if the Corporation, with the concurrence of the Secretary of State, determines that such loan, extension of credit, or investment commitment will provide emergency relief, promote economic self-sufficiency, or implement a nonmilitary program in support of a viable peace agreement in Sudan, including the Comprehensive Peace Agreement for Sudan and the Darfur Peace Agreement; or

(b) prohibit the Corporation from providing support for projects in Southern Sudan, Southern Kordofan/Nuba Mountains State, Blue Nile State, and Abyei, Darfur, if the Corporation, with the concurrence of the Secretary of State, determines that such projects will provide emergency relief, promote economic self-sufficiency, or implement a nonmilitary program in support of a viable peace agreement in Sudan, including the Comprehensive Peace Agreement for Sudan and the Darfur Peace Agreement

Mr. SHERMAN. At this point, the vote is on the amendment in the nature of a substitute. All of those in favor, say aye.

[A chorus of ayes.]

Mr. SHERMAN. All of those opposed? The amendment in the nature of a substitute is passed.

The final vote is on reporting the bill, as amended, favorably to the full committee and to give the chairman of the subcommittee the right to make technical and conforming changes. All of those in favor, say aye.

[A chorus of ayes.]

Mr. SHERMAN. Those opposed?

[A chorus of noes.]

Mr. SHERMAN. The ayes have it. There is a request for a recorded vote. Let us simply go in this order.

Ms. RUSH. Mr. Chairman?

Mr. SHERMAN. Excuse me. You get to—I was going to have the fun. Okay.

Ms. RUSH. Mr. Sherman?

Mr. SHERMAN. Aye.

Ms. RUSH. Mr. Sherman votes yes. Mr. Scott?

Mr. SCOTT. Yes.

Ms. RUSH. Mr. Scott votes yes. Mr. Wu?

[No response.]

Ms. RUSH. Mr. Klein?

Mr. KLEIN. Yes.

Ms. RUSH. Mr. Klein votes yes. Mr. Green?

[No response.]

Ms. RUSH. Mr. Crowley?

Mr. CROWLEY. Yes.

Ms. RUSH. Mr. Crowley votes yes. Mr. Royce?

Mr. ROYCE. No.

Ms. RUSH. Mr. Royce votes no. Mr. Boozman?

Mr. BOOZMAN. Yes.

Ms. RUSH. Mr. Boozman votes yes. Mr. Poe?

Mr. POE. Yes.

Ms. RUSH. Mr. Poe votes yes. Mr. Manzullo?

[No response.]

Ms. RUSH. Mr. Tancredo?

Mr. TANCREDO. No.

Ms. RUSH. Mr. Tancredo votes no.

On this vote there are six yeses and two noes.

Mr. SHERMAN. Thank you, Laura. You did that far better than I would have.

I am told by our parliamentarian that I should now ask unanimous consent for the chairman to be able to make technical and conforming changes. Hearing no objection, thank you for that responsibility, and, at this point, I believe we are adjourned. Thank you for attending.

[Whereupon, at 1:23 p.m., the subcommittee was adjourned.]

